THE CALIFORNIA DEBT AND **INVESTMENT ADVISORY COMMISSION** Presents THE MECHANICS OF A BOND SALE Crowne Plaza Hotel Foster City, California March 16-17, 2006

915 Capitol Mall, Room 400

FIRST CLASS

THE MECHANICS OF

A BOND SALE

California

 \mathbf{Debt}

and Investment

Advisory

Commission

ABOUT THE PROGRAM

Mechanics of a Bond Sale is a one and one-half day seminar designed to provide public officials and their staff with an in-depth understanding of the debt issuance process, including the process of developing a debt policy, plan of finance, and considerations essential to structuring a financing. The program also focuses on the various legal documents required in a bond transaction, the importance of credit enhancement, and information on marketing and pricing the bond. In addition, topics will include understanding arbitrage rebate and the investment of bond proceeds.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved with the issuance of municipal debt. Representatives of cities, counties, school districts, special districts, redevelopment agencies, and elected officials are especially encouraged to attend. Participants should have some experience in public finance prior to attending this seminar.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. No refunds will be honored for cancelled registrations after the seminar registration deadline of February 22, 2006. Late registrations will only be accepted after February 22, 2006, if space is available.

LODGING

Hotel reservations should be made with the Crown Plaza Hotel, 1221 Chess Drive, Foster City, California 94404. The phone number is (650) 570-5700. A special room rate of \$129 is available to seminar participants. When making reservations, please indicate that you are attending the CDIAC Mechanics of a Bond Sale Seminar group booking code **PFS**. **The deadline for the special hotel reservation rate is February 22, 2006.**

ABOUT CDIAC

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public debt issuance and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical public finance issues.

The California Debt and Investment Advisory Commission complies with the Americans with Disabilities Act (ADA).

THE MECHANICS OF A BOND SALE March 16-17, 2006 REGISTRATION FORM

To register, please complete this form and return it to the California Debt and Investment Advisory Commission. One form is required for each participant. Payment of the registration fee must be enclosed. No refunds will be honored after the seminar registration deadline of February 22, 2006. You will receive a confirmation notice once a registration form and check are received by CDIAC. Title _____ Street City/State/Zip Telephone ______ FAX _____ My interests are in : Public Debt Issuance (please check one) **Public Investments** Debt and Investments Registering for just the Mechanics of a Bond Sale Seminar: \$225.00 Please also include the updated California Debt Issuance Primer for an additional \$25.00 Note: An updated California Debt Issuance Primer will be available in March 2006 and will be accessible at no cost at the following web address: http://www.treasurer.ca.gov/cdiac/ Enclosed is my check for a total of \$ _____ Make check(s) payable to: California Debt and Investment Advisory Commission Mail your registration to: Seminar Programs California Debt and Investment Advisory Commission 915 Capitol Mall, Room 400 Sacramento, CA 95814 Phone: (916) 653-3269 FAX: (916) 654-7440

*The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Primers that are purchased in conjunction with the seminar fee will be mailed after the seminar date.

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Presents

THE MECHANICS OF A BOND SALE

Crowne Plaza Hotel Foster City, California March 16-17, 2006

714/01/071		
	THURSDAY, MARCH 16, 2006	
8:00 AM	Registration and distribution of seminar materials Complimentary rolls and coffee	8:00 AM
8:30 AM	Seminar Welcome and Opening Remarks Jane W. Thompson, Executive Director California Debt and Investment Advisory Commission	8:30 AM
	SESSION I	
8:45 AM	Developing A Debt Management Policy: This session covers the purpose of a debt management policy and steps in developing a debt management policy. It also highlights the importance of debt capacity and affordability analysis. The speakers provide guidance on policy maintenance and updates, as well as real life examples of how local government officials have used their debt management policies.	10:00 AM
	William Statler, City of San Luis Obispo John Sheldon, Morgan Stanley	10:15 AM
10:00 AM	Break	10:13 AWI
	SESSION II	
10:15 AM	The Plan of Finance: This session covers an important planning document issuers utilize in the debt issuance process. From the start, it is essential to determine the best approach an organization will take when planning for capital structures and projects. An analysis of	

financing is therefore conducted and shared as part of the debt documents. A financial advisor and bond counsel will explain the

Douglas S. Montague, Montague DeRose & Associates, LLC

components and justification behind this tool.

FRIDAY, MARCH 17, 2006

Check-in

Complimentary rolls and coffee

SESSION VI

Marketing and Pricing an Issue: This pricing session covers the responsibilities in marketing and pricing an issue. A financial advisor and an underwriter will provide a lively presentation on how market

forces can impact the marketability and pricing of an issue and the steps an issuer can take to ensure bonds are issued at the best price.

David Brodsly, Kelling, Northcross & Nobriga Michelle Issa, Banc of America Securities

Break

SESSION VII

Understanding Arbitrage: This session focuses on federal arbitrage

rules and requirements. Speakers will discuss the different arbitrage restrictions and arbitrage rebate requirements, exemptions to federal limitations, which funds are subject to arbitrage regulations, when to calculate and how to prepare for the calculation of arbitrate rebate liability, and current "yield-burning" issues. Speakers also will walk participants

through a real-life arbitrage rebate calculation.

Ann Pelej, MuniFinancial IRS Representative (tentative) 11:30 AM Luncheon for all participants and speakers

SESSION III

12:45 PM **Structuring the Financing:** This session covers the key points to consider in structuring a financing once the decision is made to issue debt and the plan of finance has been determined. An underwriter addresses the process of identifying debt financing alternatives, sizing the debt issue, calculating and scheduling debt service, and determining

fixed versus variable rate financing will be included.

Scott Nagelson, Banc of America Securities

2:15 PM Break

SESSION IV

2:30 PM **The Legal Documents:** This session provides an overview of the roles

and responsibilities of the issuer and the financing team in preparing the legal documents for the debt issuance. Bond counsel addresses the process of negotiating the terms of the documents, the importance of issuer involvement in drafting the Preliminary Official Statement and Official Statement, and the commitments contained in these documents.

the many features of the issue. In addition, the pros and cons between

Eric Tashman, Sidley Austin Brown & Wood LLP

3:30 PM Break

SESSION V

3:45 PM **Approaches to Credit Enhancement**: This session examines different

approaches to credit enhancement. Speakers will address the purpose of credit enhancement and its role in regards to ratings. Also, speakers will distinguish between credit enhancement alternatives (including bond insurance, letter of credit, and credit ratings), when it makes sense to purchase a credit enhancement, who provides credit enhancement, and how to determine which type of credit enhancement is right for a given

bond issue.

Nikolai Sklaroff, Citigroup Global Markets Inc.

Dari Barzel, Moody's Investor Services

5:00 PM Reception for all participants and speakers

SESSION VIII

11:15 AM **Investing Bond Proceeds:** This session covers the instruments in which

bond proceeds may be invested. An investment advisor and bond counsel offer guidance on selecting the appropriate investment given the characteristics of the issue and arbitrage considerations, as well as the investment considerations that should be addressed before, during, and after a bond sale. Speakers will discuss the role of an agency's overall investment objectives and investment policies in the debt issuance process, as well as the importance of on-going monitoring.

Eric Chu, Bond Logistix LLC Carol Lew, Stradling Yocca Carlson & Rauth

12:15 PM Seminar Closing and Evaluation

Seminar location: Crown Plaza Hotel in Foster City 121 Chess Drive Foster City, CA 94404 (650) 570-5700